

Subsection B-1

ARTICLES OF INCORPORATION OF PREMERA BLUE CROSS BLUE SHIELD OF ALASKA CORP.

We, the undersigned natural persons of the age of at least twenty-one years or more, of whom at least a majority are residents of Alaska and of whom at least a majority are United States citizens, acting as incorporators of a corporation formed under the Alaska Corporations Code (the “Act”) and the Alaska Insurance Code, adopt the following Articles of Incorporation for such corporation.

ARTICLE I NAME

The name of this corporation is [Premera Blue Cross Blue Shield of Alaska Corp.] Its principal office will be located in Anchorage, Alaska, the Third Judicial District.

ARTICLE II DURATION

The corporation shall have perpetual existence.

ARTICLE III PURPOSE

The purpose for which the corporation is organized is to conduct health insurance business as specified in Section 21.12.050 as now in effect or as may hereafter be amended and any other lawful purpose permitted under the laws of the state of Alaska.

ARTICLE IV CAPITAL STOCK

Section 1 The corporation shall have one class of stock. The total number of shares which the corporation shall have authority to issue is One Thousand (1,000) shares of common stock, one-dollar (\$1.00) par value per share (the “**Common Stock**”).

Section 2 The shares of stock of this corporation may be issued by this corporation from time to time for such consideration as from time to time may be fixed by the Board of Directors of this corporation; and all issued shares of the capital stock of this corporation shall be deemed fully paid and shall not be subject to assessment. The Board of Directors may authorize the issuance of some or all of the shares of Common Stock without certificates. Within a reasonable time after the issuance or transfer of shares without certificates, the corporation shall send the shareholders a written statement of the information required on certificates by the Act.

Said statement shall be informational to the shareholder, and not incontrovertible evidence of stock ownership. The statement shall be signed by original or facsimile signature of two officers of the corporation. Transfer of uncertificated shares of stock may be accomplished by delivery of an assignment in writing or by a written power of attorney to assign and transfer the same on the books of the corporation, signed by the record holder of the shares. Surrender of the written statement shall not be a requirement for transfer of the shares so represented.

Section 3 No incorporator shall subscribe to any original issue of the authorized Capital Stock.

ARTICLE V DIRECTORS

Section 1 General Powers of Board of Directors

All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the Board of Directors, except as otherwise provided by the Articles of Incorporation.

Section 2 Number; Initial Directors.

(a) Number. The Board of Directors of the corporation shall consist of no less than five (5) or more than seven (7) directors, the exact number of directors shall be determined in accordance with the Bylaws of the corporation.

(b) Initial Directors. The names, addresses and terms of the initial directors of the corporation are as follows:

<u>NAME</u>	<u>ADDRESS</u>	<u>TERM</u>

ARTICLE VI PREEMPTIVE RIGHTS

Shareholders of this corporation have no preemptive rights to acquire additional shares of stock or securities convertible into shares of stock issued by the corporation.

ARTICLE VII CUMULATIVE VOTING

Shareholders of this corporation shall not have the right to cumulate votes in the election of directors.

ARTICLE VIII LIMITATION OF DIRECTOR LIABILITY

A director of the corporation shall not be personally liable to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, except for:

- (a) Acts or omissions not in good faith or that involve intentional misconduct by the director or a knowing violation of law by the director;
- (b) A breach of a director's duty of loyalty to the corporation or its shareholders;
- (c) Any transaction from which the director derives an improper personal benefit; or
- (d) Willful or negligent conduct involved in the payment of dividends or the repurchase or stock from other lawfully available funds.

If the Act is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the Act, as so amended. The provisions of this Article shall be deemed to be a contract with each director and officer of the corporation who serves as such at any time while such provisions are in effect and each director and officer entitled to the benefits hereof shall be deemed to be serving as such in reliance on the provisions of this Article. Any repeal or modification of the foregoing paragraph by the shareholders of the corporation shall not adversely affect any right or protection of a director of the corporation with respect to any acts or omissions of such director occurring prior to such repeal or modification.

ARTICLE IX INDEMNIFICATION OF DIRECTORS

Section 1 The corporation shall indemnify its directors to the full extent permitted by applicable law. The corporation shall advance expenses for such persons pursuant to the terms set forth in the Bylaws, or in a separate directors' resolution or contract.

Section 2 The Board of Directors may take such action as is necessary to carry out these indemnification and expense advancement provisions. It is expressly empowered to adopt, approve, and amend from time to time such Bylaws, resolutions, contracts, or further indemnification and expense advancement arrangements implementing these provisions as may be permitted by law, including the purchase and maintenance of insurance. Such Bylaws, resolutions, contracts or further arrangements shall include but not be limited to implementing the manner in which determinations as to any indemnity or advancement of expenses shall be made.

Section 3 No amendment or repeal of this Article shall apply to or have any effect on any right to indemnification provided hereunder with respect to acts or omissions occurring prior to such amendment or repeal.

ARTICLE X POWERS OF SOLE SHAREHOLDER

In addition to all matters required by law, and notwithstanding any other provisions of these Articles of Incorporation or the Bylaws to the contrary, the sole shareholder of the corporation, may, by a vote of an Independent Board Majority (as defined in Article III, Section 4(b) of the [New Premera Blue Cross Corp.] Articles of Incorporation) and by so directing the Board of Directors, initiate and implement any of the following actions by or on behalf of the corporation; and none of the following actions shall be taken by or on behalf of the corporation or shall become effective unless and until approved by an Independent Board Majority of the sole shareholder of the corporation:

- (a) adopting or changing the mission, legal and/or trade name, purpose, philosophy or strategic direction of the corporation, or changing the general structure or operation of the corporation;
- (b) electing or removing from office any of the directors;
- (c) amending the Articles of Incorporation or the Bylaws;
- (d) making any loans or advances except in the ordinary course of business;
- (e) conducting any business other than under the Blue Cross and/or Blue Shield marks and name;

- (f) dissolving or liquidating the corporation;
- (g) consolidating or merging the corporation with another corporation or entity;
- (h) selling, exchanging or otherwise disposing of all or substantially all of the corporation's assets; or selling, exchanging or otherwise disposing of assets by the corporation having a value in excess of that established from time to time by resolution of an Independent Board Majority of the sole shareholder;
- (i) purchasing or investing on behalf of the corporation in a manner that is not provided for in an approved budget or in excess of the amount established from time to time by resolution of an Independent Board Majority of the sole shareholder;
- (j) incurring indebtedness or granting a mortgage, lien or other security interest to secure indebtedness of the corporation, in an amount greater than that established from time to time by resolution of an Independent Board Majority of the sole shareholder; or any action by or on behalf of the corporation to guarantee or act as a surety for the indebtedness of any third party;
- (k) organizing any corporation or other entity in which the corporation will acquire a voting or other interest, or the transfer of assets to any such corporation or entity;
- (l) approving the annual operating and capital plans and budgets of the corporation, following their development by the officers of the corporation and ratification by the executive officers of the sole shareholder; and
- (m) appointing the Chief Executive Officer of the corporation, subject to ratification by the Board of Directors of the corporation, and removing of the Chief Executive Officer from office.

ARTICLE XI

TRANSACTIONS IN WHICH DIRECTORS HAVE AN INTEREST

Any contract or other transaction between this corporation and one or more of its directors, or between this corporation and any corporation, firm, association or other entity of which one or more of its Directors are shareholders, members, directors, officers or employees or in which they are interested, shall be valid for all purposes, notwithstanding the presence of such director or directors at the meeting of the Board of Directors which acts upon or in reference to such contract or transaction and notwithstanding his or their participation in such action, by voting or otherwise even though his or their presence or vote, or both, might have been necessary to obligate this corporation upon such contract or transaction; provided, that the transaction is fair to the corporation at the time it is authorized, approved, or ratified.

ARTICLE XII

AMENDMENT

Unless otherwise provided herein, the provisions of these Articles may be repealed or amended, pursuant to Section 21.69.050 of the Alaska Insurance Code, for any lawful purpose by written authorization of the holders of a majority of the voting power of its outstanding capital stock or by affirmative vote of a majority voting at a lawful meeting of shareholders of which the notice given to shareholders included due notice of the proposal to amend and in conformity with **Article X**.

ARTICLE XIII
REGISTERED OFFICE AND AGENT

The street address of the registered office of the corporation is 801 West Tenth Street, Suite 300, Juneau, Alaska, and the name of the registered agent at such address is CT Corporation System.

ARTICLE XIV
INCORPORATORS

The name, residence address, and citizenship if not a U.S. Citizen of the incorporators are:

<u>NAME</u>	<u>RESIDENCE ADDRESS</u>

ARTICLE XV

ALIEN AFFILIATE

The corporation does not have any alien affiliates as defined by Section 10.06.990 of the Alaska Corporations Code.

The undersigned incorporators have signed these Articles of Incorporation in triplicate.

Incorporator 1

STATE OF ALASKA)
) SS.
_____) JUDICIAL DISTRICT

The foregoing instrument was acknowledged before me this ____ day of _____, 200__
by _____.

Signature of Notary Public
Comm. Exp. _____

Incorporator 2

STATE OF ALASKA)
) SS.
 JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____, 200__
by _____.

Signature of Notary Public
Comm. Exp.

Incorporator 3

STATE OF ALASKA)
) SS.
_____ JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____, 200__
by _____.

Signature of Notary Public
Comm. Exp. _____

Incorporator 4

STATE OF ALASKA)
) SS.
_____ JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____, 200__
by _____.

Signature of Notary Public
Comm. Exp. _____

Incorporator 5

STATE OF ALASKA)
) SS.
_____ JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____, 200__
by _____.

Signature of Notary Public
Comm. Exp. _____

[PREMERA BLUE CROSS BLUE SHIELD OF ALASKA CORP.]

BUSINESS IDENTIFICATION CODE STATEMENT

As required by AS 10.06.215, the following is a separate statement setting forth the business identification codes established under AS 10.06.870 that most clearly describe the activities in which the corporation will initially engage: 6300.